ACCANect 2018

Day 2 Thursday, 13 September 2018

**Session 1: 9:00 – 9:20am**

**Department of Communications and the Arts – Consumer safeguards review**

**Presenter: Nadine Williams, First Assistant Secretary, Department of Communications and the Arts**

**The Government is reviewing Australia’s telecommunications consumer safeguards for a post-2020 environment – one in which the NBN has been rolled out to all Australia homes and businesses. In this session, we will hear about the three parts of the review and some of the feedback from the discussion papers that have been submitted.**

If you could grab your seats, they'd be really great. If you haven't got a ticket... I don't know, who hasn't got a ticket? Oh dear, make sure you get one at morning tea, we'll do another draw then. We've got draws all through the day. My name is Teresa Corbin, I'm the CEO of ACCAN immediately slowing down for the interpreters, because I will get in big trouble otherwise. They know me! I have a bad reputation with them. I blame it on talking to politicians. So thank you for coming to day two. Some of you are here for your first day. First before we get started I want to acknowledge the traditional owners of the land on which we meet the Gadigal people of the Eora Nation and acknowledge their Elders past and present. Our first speaker this morning is Nadine Williams, but before we go to that we're going to have a lucky draw for those of you that got here on time. At morning tea, get a ticket. We have lucky draws at morning tea and lunch for people that get in the room on time. Apologies for those that missed out. Drum roll...

>> A11, purple.

TERESA CORBIN: Redraw. Good start to the day.

>> Orange 53.

TERESA CORBIN: My redraw. Are they yesterday's numbers maybe? There's a problem with our reliability. TERESA CORBIN: I don't think we've got the right numbers. Have you got A-10?

>> Orange 10, orange 53 or A11 purple?

TERESA CORBIN: We might have to do two at morning tea. The pressure is really on ACCAN then. (LAUGHTER) Also before we start, yesterday there was a bit of a theme about Greek mythology coming through in a couple of the presentations and over dinner we were talking about what would be some other great Greek gods that should be mentioned or perhaps not gods, maybe monsters or Gorgons and I thought I related a bit to Medusa, not just because of the hair, but because of how the industry looks at me sometimes. If you had any suggestions come and let me know and we'll keep that theme going. That was a bit of fun, but without further ado, I'm going to introduce Nadine Williams from the Department of Communications and the Arts who's the first secretary... well, she's of many things. Her full title is not written here, but it's in your program. But I also want to say that throughout the day too I'm going to be mentioning various consumer wins we've had over the last 12 months, because there have been quite a lot and as consumer reps we're often a very negative bunch and obviously we're always pushing for change and more change and we're never satisfied. But today it would be good to take stock about how far we've come and Nadine will be talking about some of those things I think are really good wins. So welcome to

NADINE WILLIAMS: All right, thank you, can you hear me? Yes, fantastic. All right, good morning everyone. Thank you, it's a real pleasure to be here and to see actually so many familiar faces which is fantastic. Before I start I'd like to just acknowledge the traditional custodians of the land on which we're meeting today, the Gadigal people of the Eora Nation and pay my respects to Elders, past, present and emerging and extend that respect to any Aboriginal and Torres Strait Islander people here in the room. So Teresa has actually asked me to speak about I guess the consumer safeguards review, so I will focus most of my discussion on that and I have colleagues here of course from the ACMA and the ACCC who will talk about the range I guess of interventions, consumer interventions and consumer changes that have occurred in the regulator framework as Teresa mentioned. And the changes I guess that have occurred over the last 12 months have been significant and really to all elements of the consumer protection framework so I'd let my colleagues reflect on that and I'll talk a little bit about the consumer safeguards review which is the long-term think piece, it's the piece about "Well, what do we do next?" In terms of our regulator framework, in terms of ensuring consumer protections we have in place are fit for purpose, are modern and reflect I guess the rapidly changing environment that we're all existing in and I understand you had a really fascinating series of conversations yesterday that really touched on the changes that are occurring not just in the telecommunications sector, but in terms of all aspects of our lives and the way in which we interact with every aspect of our life. Whether it's the way in which we interact with government services, the way in which we socialise et cetera. So to draw on that, we've been asked by government to think about what the consumer protections need to look like going forward and the government's asked us to look at that from the perspective of once we've got most of the major infrastructure rolled out in terms of the nbn in 2020 we have a radically changed telecommunications environment in front of us. What is it we need in place to ensure consumers can interact confidently with that environment, that they have the protections that they need to be able to operate effectively in that environment as consumers. So that's the nature of the consumer safeguards review and the government's essentially asked us to look at those issues in three parts. Today I'll probably talk primarily about the first part of the review which is all about access to effective consumer redress and complaints handling and that's the first phase of the review that has been rolling out and has been consulted on quite extensively over the last couple of months. The second part of the review which I'll be foreshadowing will actually focus on protections to ensure consumers have access to reliable telecommunication services and the third part will focus on I guess issues around how consumers can make informed choices in selecting telecommunications services and how we can ensure that they're treated fairly in the use of those services and I think that third part of the review is also an important area where we need to think about questions of affordability and access and we will be doing a bit of work around those issues in that stage of the review. So I know that one of the things that complaints handling as the first phase of the review, and I guess as I was saying earlier, we're really in a period of significant and rapid industry transformation and in that environment I think we all acknowledge things are going to go wrong and a robust and simple way of navigating complaint handling and resolution processes are critical in that kind of environment. I think as a guiding principle government's made it clear that it believes that industry in the first instance needs to look after its customers and have good processes in place to resolve complaints, but there's no question that it's difficult to achieve this when things are changing as rapidly as they are at present, where volumes are high and consumer demand is increasing exponentially. If you just think back to where we were 20 years ago when there were a handful of telcos offering basic telephony services and broadband services, when things went wrong it was relatively simple to work out where the problem was, who was best placed to fix that problem or to respond to the complaint. But today the products and services and equipment on offer are vastly more complex and there are more providers to choose from. The service offers include a dizzyingly array of applications and the underlying fixed or mobile connections used to power those connections involve multiple parties with different roles and responsibilities along the supply chain and collectively they're responsible for the consumer experience. It's that collective nature of the industry that makes regulation quite a complex proposition. As we've all heard, there's nothing more frustrating for the consumer that no one in that chain of responsibility actually taking responsibility for an issue and complaints, when complaints get hand optimal for the consumer. And so while industry structures might be more complicated today I think we work from the principle that consumers shouldn't have to navigate that complexity and one of the things that, one of the principles that's been central to the interventions that the government's put in place over the last 12 months has been this concept that all parts of the industry -retailers and wholesalers -need to be part of the solution and they need to provide reasonable assistance to consumers to address any issues. But going forward, I guess an effective and robust internal dispute resolution process through an independent body such as the TIO forms the foundation of the consumer safeguards framework in our view and ultimately, this ability to actually look at what complaints are being made directly to industry as well as those that are being escalated to external dispute resolution and how those complaints are handled is a really positive thing, and robust and transparent and well-contextualised complaints data, our ability to shine a light on the root causes of issues that are really underlying those complaints helps everyone. It helps government, regulators and industry to work out where things are going wrong and what we need to do to actually fix it. So I guess I think I might talk a little bit about what we're hearing. Then, what we've heard as part of part A of the review and take this opportunity as well to thank ACCAN and its members and all of those people who contributed to the consultation process around part A. The feedback we received was incredibly thoughtful and considered and has been extremely valuable in actually crafting up and helping to shape the ideas around the review in this space. The submissions actually closed last you haven't had an opportunity to read through them yet and the department's now in a process of actually assessing them along with the feedback we've received for a wide range of face-to-face stakeholder meetings as well. And I think the consultation process highlighted for us the real significant difference between consumer and industry participants on the need for change. Consumer representatives on the whole want industry to do more to look after customers across all interactions, not just complaint handling. Some expressed concern that a self-regulator approach in the telco industry has largely failed to protect consumers and would like to see a stronger regulator posture. Consumer groups were concerned about proposals that would limit the ability of individuals to directly access the telecommunications ombudsman or proposals that would result in consumers being denied access to external dispute resolution if their complaint was not deemed complex. I think it's worth clarifying that the proposals that were set out in the discussion paper were never about restricting access to the TIO. Rather, they were about ensuring the right balance and interaction between internal and external dispute resolution and I think it's been an interesting conversation that we've been able to have as a result of that discussion paper with a whole range of parties in the system, including the telecommunications industry about what their responsibility and what their role is within the dispute resolution process. So industry views on dispute resolution on the TIO and its independence and its effectiveness I guess were reasonably polarised which is not surprising. I guess it's fair to say there was a sharp contrast between the views expressed by the larger and smaller telcos submissions that are on the department's website. I think it's fair to say that this latter group -the small to medium telecommunications providers -thought that it would benefit from the ability for them to be more vocal I guess in the process and for the ability of their issues and concerns to be more appropriately represented. Generally speaking it's fair to say that industry wants the reasonable opportunity to first resolve complaints with consumers before their complaints are escalated to external dispute resolution and I think stepping back it's clear that effective and sustainable complaints and redress arrangements need to respond to and balance the complex needs and expectations of stakeholders. The diversity and strength of views really highlights for us I think the need for these matters and decisions which really affect consumers and industry as a whole to be balanced and to be fair for everyone and despite the wide spectrum of views, there's some key areas I think of agreement that have emerged from those submissions. Firstly I think there's clear support for improved initial complaints handling by industry and I don't think any of us would deny that. I think the ACMA complaints handling standard which will go a long way towards bedding down this process. There's also strong support both from consumers and industry for external dispute resolution in the telco sector to continue to be provided by the TIO and there is also support for a stronger regulator posture from government. Particularly in relation to enforcing compliance and dealing with systemic issues and finally, I think it's really clear that there's support from all stakeholders for more data to be published, but varying views on who should be responsible for that publication as well as we've heard, a wide range of views around a range of issues that were raised in the discussion paper. In terms of next steps out of those views expressed by stakeholders, I think four key themes have emerged which will form the basis of the thinking that we do next in this space and I guess those themes are firstly the importance of the entity responsible for external dispute resolution being able to strongly execute its role. Not just as an independent reviewer and resolver of complaints, but also as a champion for best practice. Secondly the importance of the rules being clear and enforceable and the importance of an empowered and active regulator and finally, the importance of publicly recorded data that drives improved industry performance and allows root cause issues to be readily identified. So the feedback and the issues already raised have been used to inform considerations for the next part of the review. There's one point that appears to be obvious, but I guess it's worth spelling out as it will underpin everything else and that is the importance of acknowledging telecommunications as both an essential service and a critical enabler in our daily lives and in the next stages of the review we'll start to look at issues around reliability of services and choice and fairness in the retail relationship between a consumer and their provider and there's a raft of issues and questions for us to look collectively at this and I'll be interested in your views and this is as we get to the next stage of the consultation process around the next two stages of the review. But these will include questions like -how do we ensure that consumers including small businesses actually are able to get connected and stay connected? For example, what might help if repair time frames can't be met? Going framework look like in the future that can actually work in the favour of consumers in this regard? How can industry performance best be made public and comparable, including in relation to mandatory repair, connection and appointment-keeping time frames? How can network reliability data feed into driving improved outcomes such as proactive identification of systemic issues and their root causes? Given the range and complexity of products and services in the market, what do consumers and businesses need in order to confidently choose and use services? There's also a question that's emerged from these consultations that we probably do need to dwell on a bit in the next phase of the review around whether the self-regulator approach in the sector has delivered for consumers -and I know Teresa you have views on this -and what is needed to actually ensure that the codes and the standards framework protects consumers in the future environment? Finally, what do we need in order to get a better understanding of the ranges of issues facing consumers? In particular, vulnerable consumers, and as connectivity becomes increasingly difficult for our daily life. So I think I might stop there and in closing, I think just reflect on the fact that the next two stages of the review will be coming out shortly and I think this is really a significant piece of work and it is meant to be a think piece. It's meant to be imaginative and it's meant to be something that allows us to think about what the future looks like rather than reflecting back on what the existing systems and regulator frameworks are. It's an opportunity to actually start from scratch and to think about what works and what doesn't work and what could work for consumers going forward in I think our task is really to imagine the consumer safeguards framework and shape it so it's actually fit for purpose for our modern world and we've seen how quickly things can change and how safeguards can become less relevant and effective over time just due to that rapid pace of change and we know that the new framework will need to be adaptable and responsive to the pace of change in the telco industry and in decades ahead. We know it'll have to address issues we can't even imagine today and I think Judi and I were just talking about that this morning and that's I guess why it's really critical that we have the right regulator settings in place that are relevant to the changing landscape and as far as possible, I think we need to ensure that the consumer safeguards framework is not tied to specific services or technology, but rather reflects key principles and responds to what are often very predictable issues of concern for consumers. This is not necessarily about spelling out the detail, but about creating a framework that allows for these issues of concern to consumers to actually be identified and resolved via a simple mechanism that are really easy for consumers to understand. And so I think there's a lot of opportunity in this and I'd encourage you as the next stages of the review comes out to actually participate, to feed in your views and in the coming weeks we'll be reporting, we expect to be able to talk to you a bit more about the findings of the first phase of the review and to be able to release the consultation papers for the next two phases. And so with your help, we really do look forward to actually advancing this work and helping to set Australia up I guess for the fast-paced approaching digital future. I think we're doing questions a bit later, so if you're keen to talk doing within the department, I'm happy to take questions then. Thanks, Teresa. (APPLAUSE)

TERESA CORBIN: Thanks so much. You can either sit on the stage or you can sit in the audience, whatever you prefer. It could be a bit long to sit on the stage the whole time. Yeah, I think that's fair enough. I'd take that option, too. Thank you very much for that Nadine.